

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Hungary

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Bill on Bio-fuels Approved by Parliament

Report Categories:

Bio-Fuels

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Report Highlights:

The Hungarian Parliament passed the legislation titled “Promoting the Use of Renewable Energy and the Reduction of Greenhouse Gas Emission of Energy Used in Transport” on November 2, 2010.

General Information:

The Ministry of National Development recently submitted legislation to Parliament promoting the use of bio-fuels in Hungary. The bill is titled, “Promoting the Use of Renewable Energy and the Reduction of Greenhouse Gas Emission of Energy Used in Transport”. On November 2, the Hungarian Parliament passed the bill, in time to meet the December 5 deadline for member state implementation of EU-wide renewable fuels legislation. However, implementing regulations are still needed in Hungary. Ministry-level directives will be written to further define the default values (relating to green house gasses and sustainability) and the exact definitions of the biofuels covered. The Ministerial executive orders are expected to be completed during the first quarter of 2011.

Under the new legislation, the share of renewable energy consumption for the transportation sector must reach 10 % in Hungary by 2020. The mandated share of bio component in fuels is currently is 4.8 %. New levels will be set by administrative order at the end of March of every third year. Fuel companies may only utilize bio components meeting with the official criteria and any non-compliance will result in fines.

In general, Hungarian industry supports the new legislation. However, the lack of technical details, such as future bio-fuel standards and the time schedule for their introduction, are hampering planning and investment decisions in affected industries. Experts also have noted that the legislation generally fails to regulate gaseous bio fuels.